

MT LEGISLATIVE HISTORY

Chapter 197 1979

Bill H _____ S 61

Original bill & hist. ☒ C

H. Committee on Human Services S. Committee on Pub Health

Hearing Date(s) _____ C

Hearing Date(s) _____ C

3/2 ☒ C

_____ C

_____ C

1/15 ☒ C

2/9 ☒ C

_____ C

Date Out

3/2 ☒ C

2/9 ☒ C

Did this bill originate in an interim committee? ☐ Yes ☐ No

Committee _____

Report _____

CHAPTER NO. 197

SENATE BILL NO. 61

INTRODUCED BY NORMAN

BY REQUEST OF THE DEPARTMENT OF INSTITUTIONS

IN THE SENATE

January 9, 1979	Introduced and referred to Committee on Public Health, Welfare, and Safety.
	On motion Senator Norman was added as author to the prefiled bill.
February 14, 1979	Committee recommend bill do pass as amended. Report adopted.
February 16, 1979	Printed and placed on members' desks.
February 17, 1979	Second reading, do pass as amended.
February 19, 1979	Correctly engrossed.
February 20, 1979	Third reading, passed. Transmitted to second house.

IN THE HOUSE

February 21, 1979	Introduced and referred to Committee on Human Services.
March 5, 1979	Committee recommend bill be concurred in. Report adopted.
March 6, 1979	Second reading, concurred in.
March 8, 1979	Third reading, concurred in.

IN THE SENATE

March 9, 1979	Returned from second house. Concurred in. Sent to enrolling.
	Reported correctly enrolled.

SENATE BILL NO. 61

INTRODUCED BY _____

BY REQUEST OF THE DEPARTMENT OF INSTITUTIONS

A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING ALL INSURANCE COMPANIES, INCLUDING HEALTH SERVICE CORPORATIONS, WHO ISSUE HEALTH INSURANCE POLICIES IN MONTANA TO INCLUDE PROVISIONS IN THE CONTRACTS FOR THE COVERAGE OF THE TREATMENT OF ALCOHOLISM, CHEMICAL DEPENDENCY, AND DRUG ADDICTION."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Coverage of alcohol, chemical, or drug treatment required. All insurance companies, including health service corporations, shall include in accident and health insurance policies and group subscriber contracts coverage for the treatment of alcoholism, chemical dependency, and drug addiction.

Section 2. Election to refuse benefits. The individual insured may elect in writing to refuse benefits under [section 1] in exchange for an appropriate reduction in premiums or subscriber charges under the policy or plan.

Section 3. Place of treatment. The policy or health service contract upon issuance or renewal shall provide for payment of benefits for the treatment of alcoholism, chemical dependency, or drug addiction on the same basis as

coverage for other benefits where treatment is rendered in

(1) a licensed hospital;

(2) a residential treatment program licensed by the state of Montana pursuant to diagnosis or recommendation by a doctor of medicine;

(3) a nonresidential treatment program approved or licensed by the state of Montana.

-End-

COMMITTEE ON Public Health, Welfare & Safety

SENATE BILL NO.	ENTERED COMM.	DATE CONSIDERED	OUT OF COMM.	DO NOT PASS DATE	DO NOT PASS DATE	DO PASS AS AMEND. DATE	BE CON- CURRED IN DATE	BE CONC. IN AS AMENDED DATE	BE NOT CON- CURRED IN DATE
45	1-08-79	1-10-79	1-15-79	1-10-79					
61	1-09-79	1-15-79	2-13-79			2-09-79			
97	1-15-79	2-16-79	2-19-79	2-16-79					
100	1-15-79	1-19-79	2-13-79			2-09-79			
109	1-16-79	1-24-79	2-08-79			2-05-79			
125	1-16-79	1-22-79	1-24-79	1-22-79					
127	1-16-79	1-22-79	1-24-79	1-22-79					
136	1-16-79	1-24-79	2-04-79		1-31-79				
151	1-18-79	1-26-79	2-02-79		1-31-79				
159	1-18-79	1-26-79	2-02-79		1-31-79				
175	1-19-79	1-29-79	2-07-79			2-05-79			
186	1-22-79	1-29-79	2-02-79	1-31-79					
238	1-24-79	2-07-79	2-19-79			2-16-79			
315	1-31-79	2-12-79	2-14-79		2-12-79				
331	2-01-79	2-12-79	2-14-79	2-12-79					
373	2-06-79	2-14-79	2-19-79		2-16-79				

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Senate Bill 61 - 1979

MINUTES OF THE MEETING
PUBLIC HEALTH, WELFARE AND SAFETY COMMITTEE

January 15, 1979

The third meeting of the Public Health, Welfare and Safety Committee met January 15 in Room 410 of the State Capitol Building at 1:30 p.m.

ROLL CALL: All committee members were present except Senator Himsel.

CONSIDERATION OF SENATE BILL 61: Senate Bill 61, by request of the Department of Institutions, would require all insurance companies who issue health insurance in the state of Montana to provide coverage of the treatment of alcoholism, chemical dependency, and drug addiction.

Witnesses supporting SB61:

Mike Murray, Alcohol & Drug Abuse Division of the State of Montana
Dick Baumberger, Alcoholism Program in Great Falls
Jim Murry, Montana State AFL-CIO

Witnesses opposing SB61:

Josephine M. Driscoll, Insurance Division of State of Montana
Tom Harrison, Blue Shield Insurance Company
Gerald T. Neils, Montana Logging Association

Senator Norman, sponsor of Senate Bill 61, stated that this is a bill on health insurance and not specifically a bill on alcoholism. He pointed out that alcoholism is a wide-spread and increasing problem and that the medical costs are increasing substantially. This bill has that in mind. It is the purpose of the bill to provide money for the treatment of this affliction. There is an exclusion clause in the bill which says if there is a group policy you can in writing remove yourself from coverage and should receive a discount in premiums calculated on statistical data. Twenty states have such legislation, and presumably more will follow. This policy is not open-ended and the mandate of this legislation is not to provide coverage for the incorrigible drunk. Most of these policies would be in contracts with blue collar workers, supervisory personnel; personnel who are employed. The average alcoholic is included among our family and friends. Alcoholics, especially acute alcoholics, frequently have other diseases; but there is still the underlying problem of alcoholism. If a policy is to be written or renewed, these provisions would apply. It does not apply to current contracts.

Senator Norman stated that in his opinion the bill needs an amendment to make it workable. For example, if someone makes a claim for an expense but doesn't finish the course, maybe a payment shouldn't be forthcoming. The bill could set a limit such as 25 days a year in the hospital or in 12 consecutive months; or perhaps 20 percent of the hospitalization of the policy could be used for alcoholism; or it could be a flat \$2500 per year. Senator Norman asked Mr. Zanto or Mr. Murray from the Department of Institutions to speak in support of the bill.

Mr. Murray, Division Administrator for the Alcohol and Drug Abuse Division of the Department of Institutions, said that Senate Bill 61 as proposed will provide hospital care for the detoxification of alcoholics. Item 2 would provide for less costly care for treatment of alcoholism in halfway houses when referred there by a medical doctor. The average cost in a halfway house is \$35 to \$45 per day versus over \$100 per day in the hospital. This gives the physician the option of using less costly treatment in cases where there is no life-death situation. Engmann Associates of California (see Exhibit "A") just completed a national survey on costs of insurance coverage in other states. The average cost for this type of insurance ranged from a low of 13¢ per family unit to 30¢ per covered family unit.

Dick Baumberger, Director of the Alcohol Program in Great Falls, spoke in support of SB 61. He pointed out that health insurance is paying for medical problems caused by alcoholism, yet not covering treatment of alcoholism. In his case his insurance carrier spent thousands of dollars treating his illnesses but didn't treat the primary problem of alcoholism. It cost him only \$500 to treat the alcoholism.

Jim Murray, Executive Secretary for the Montana State AFL-CIO, spoke in support of Senate Bill 61. See Exhibit "B."

Jo Driscoll, Chief Deputy for the Insurance Department of the State of Montana, spoke in opposition to Senate Bill 61. See Exhibit "C."

Tom Harrison, MPS Blue Shield, spoke in opposition of Senate Bill 61 for all of the reasons stated by Mrs. Driscoll. He pointed out that the coverage is available now if anyone wants it and wants to pay for it. He mentioned that detoxification and acute illness is covered with 3 or 4 days at a licensed hospital under an existing policy. He felt that the allegation by Mr. Murray that this insurance can be provided at 13¢ a family unit is incredible. MPS estimates that this is a 7% item. On the best plan it is in excess of \$7 a unit in order to get this covered. He felt that the individual opting out in Section 2 is an impossibility to enforce and pointed out that that option is in the Minnesota health care package and it has been ignored. Mr. Harrison stated that if the bill is going to have any opting out it should be on a group basis. Since this coverage is now available, he asked the Committee to allow private enterprise to work instead of directing it. He pointed out that to figure rates is an expensive process, and to put together a set of coverage required by legislation would increase the cost of health care unnecessarily.

Gerald T. Neils, Montana Logging Association, stated that the association just negotiated a medical plan with Blue Cross in which these detoxification problems are included. Their objection is not along that line, but they are concerned with the provision allowing members to opt out if they want to. The Montana Logging Association would have the problem of educating each member who wants to opt out and receive a reduction in premium cost that they cannot give it to him. He stated that providing a provision to opt out on an individual basis would only increase the paperwork, which is already monumental.

Senator Norman concluded the testimony by saying that the objections are all that might be anticipated, but 20 other states do have this type of insurance coverage and have not had these difficulties. He spoke to the need for halfway houses and pointed out the problem of the revolving door syndrome where an alcoholic is in the hospital for a few days and released and then is back in again in a few months until he loses job, family, etc.; yet it is hardly wise to keep these people in a hospital at over \$100 per day. He pointed out that although there are arguments against the constitutionality of the bill and against the statistical ability to arrange such a system that other states have overcome these problems. He feels that if Minnesota is not enforcing its own law that some member of the bar should bring this to the attention of the courts.

Chairman Olson asked the Committee members if they had any questions. The question was raised as to the considerable disparity for cost of this type of insurance. Mrs. Driscoll said that the cost is very difficult to judge at this time since it is unknown who will take the coverage and you do have to spread the risk. Mr. Baumberger pointed out that the cost should take into consideration the treatment in a hospital of the revolving door syndrome mentioned by Senator Norman as well as treatment of other health-related problems. Clarification was requested by the Committee on what a halfway house is and where they are located. Chairman Olson asked Mrs. Driscoll what the Insurance Department could do in two years if legislation was delayed until next session. She replied that they would come up with some medical standards and that perhaps some consideration should be given to some minimum standards. She pointed out that Item 3 of the bill does not require a doctor's referral. She said that SRS has lots of funds available to take people out of institutions and place them in homes like this.

Chairman Olson closed the hearing on Senate Bill 61.

ACTION ON SENATE BILL 61: Senator Palmer moved that we delay action on Senate Bill 61 until Senator Norman has time to prepare an amendment. Motion was seconded and passed unanimously.

ANNOUNCEMENTS: Chairman Olson asked the committee members if they had any objection to moving meeting time to 1:00 p.m. instead of 1:30 p.m. since the Senate now went into session at 3:00 p.m. It was decided to change the meeting time to 1:00 p.m. on the scheduled meeting days.

ADJOURNMENT: With no further business being discussed, the meeting was adjourned at 2:25 p.m.


S. A. OLSON, CHAIRMAN



EXHIBIT "B"

JAMES W. MURRY
EXECUTIVE SECRETARY

Box 1176, Helena, Montana

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TESTIMONY OF JAMES W. MURRY BEFORE THE SENATE PUBLIC HEALTH, WELFARE AND SAFETY
COMMITTEE, JANUARY 15, 1979, 1:30 P.M., ROOM 410

I AM JIM MURRY, EXECUTIVE SECRETARY FOR THE MONTANA STATE AFL-CIO. I
APPEAR BEFORE THIS COMMITTEE IN BEHALF OF SENATE BILL 61, A BILL WHOSE PASSAGE COULD
PROVIDE AN IMPORTANT AND HUMANITARIAN SERVICE TO MANY WORKING PEOPLE AND TO THEIR
WORKING ENVIRONMENT.

BY PROVIDING THAT INSURANCE COMPANIES AND HEALTH SERVICE CORPORATIONS COVER
TREATMENT OF THE SOCIAL DISEASE OF ALCOHOLISM AND DRUG ABUSE, THE BENEFITS OF THIS
HUMANITARIAN SERVICE WOULD BE EVENTUALLY RENDERED TO ALL MONTANANS.

I NEED NOT REMIND THIS COMMITTEE OF THE REAMS OF DATA AND THE HUNDREDS OF
MILLIONS OF DOLLARS ANNUALLY SPENT ON EITHER THE RESEARCH OR THE TREATMENT OF ALCOHOL
OR DRUG ABUSE, OR ON THE PRODUCTS THEMSELVES --- AT A COST SHARED EACH YEAR BY
EVERY AMERICAN TAXPAYER.

I NEED NOT REMIND THIS COMMITTEE THAT ALCOHOL IS CONSIDERED TO BE THE
LARGEST, SINGLE CAUSE OF HIGHWAY DEATHS.

--THAT ALCOHOL ABUSE IS BELIEVED TO BE THE GREATEST FACTOR IN EMPLOYEE
ABSENTEEISM.

--AND THAT THE PROGRESSIVE CANCER OF ALCOHOL AND DRUG ABUSE EATS INTO THE
ENVIRONMENT IN WHICH THE WORKERS' ASSOCIATES AND JOB PERFORMANCE AND PRODUCTIVITY
ARE JEOPARDIZED.

I NEED NOT REMIND THIS COMMITTEE OF THE GLOBAL AND AGELESS WASTE IN LIVES
AND IN ECONOMY THAT IS GENERATED BY THIS INSIDIOUS SOCIAL CANCER THAT CAN CRIPPLE
AN ENTIRE SOCIETY AND LAY WASTE TO ALL IT HAS GAINED FOR THE BENEFIT OF ITS CITIZENS.

JANUARY 15, 1979

FOR THIS COMMON DISEASE WHOSE BURDEN IS SHARED BY ALL AMERICANS IS NOT TREATED LIKE A COLLISION OF VEHICLES, IS NOT TREATED LIKE PROPERTY LOSS OR HEALTH LOSS OR LOSS OF A LIMB OR SIGHT; IT IS NOT INSURED FOR COVERAGE OF ANY KIND. AND YET THE COSTS ARE SHARED BY ALL OF US.

BUT SINCE THE RESULTS OF THIS MALADY REACHES FAR INTO THE FABRIC OF LIVES WE SHOULD ADDRESS THE PROBLEM AS IT SHOULD BE ADDRESSED --- LIKE THE DISEASE THAT IT IS.

WE LAUGH AT OUR FRIENDS WHEN THEY BECOME INEBRIATED AT OUR SOCIAL GATHERINGS BUT SCOLD OUR CHILDREN FOR THE SAME ACTIVITIES. SOMEWHERE ALONG THE LINE, WE NEED TO REASSESS OUR PRIORITIES, AND BROADEN OUR VALUES.

WHAT IS NEEDED IS A COMPREHENSIVE HEALTH PROGRAM THAT INCLUDES THE PREVENTION, TREATMENT, EDUCATION AND REHABILITATION OF THESE SOCIAL MALADIES AND MENTAL PROBLEMS.

TREATMENT, EDUCATION, AND UNDERSTANDING BEGINS AT HOME, BEGINS AT WORK, WE SAY. BUT, FIRING OR FINING A WORKER FOR ABUSE WILL NOT ARREST THE PROBLEM; WILL NOT END THE ABUSE.

INSURANCE COMPANIES AND HEALTH INSURANCE CORPORATIONS NEED TO LOOK AT THE PROBLEM, AS WE ALL MUST. PROVIDING VOLUNTARY COVERAGE FOR THIS DISEASE WILL NOT TURN OUR SOCIETY INTO A POLICE STATE. IT WILL PROVIDE FOR THE NECESSARY PROFESSIONAL COUNSELING AND EDUCATIONAL TREATMENT OF THIS DISEASE AND BY SO DOING ADDRESS THE PROBLEM DIRECTLY AS ADULTS, SO THAT MORE WORKERS AND LIVES WILL BE SAVED IN MORE PRODUCTIVE WAYS AND COSTS SHARED MORE EQUITABLY.

I AM OF THE OPINION THAT A PROGRAM THAT SAVES BUT A SINGLE HUMAN LIFE IS A MEANINGFUL, AND BENEFICIAL PROGRAM.

SENATE BILL NO. 61

COMMITTEE ON PUBLIC HEALTH

STATEMENT BY: Josephine Driscoll, Chief Deputy Insurance Commissioner
Insurance Department, State Auditor's Office
E. V. "SONNY" OMHOLT, State Auditor and Ex Officio
Commissioner of Insurance

We wish to testify in opposition ~~to~~^{to} Senate Bill No. 61, for many reasons, both in concept and technical deficiencies. We understand a similar provision is contained in the Minnesota State Health Care Plan package, which is being challenged in the Courts, and going to trial today.

Section 1. Mandating of coverages presents questions of constitutionality, especially when we are dealing with affording protection for yourself, as opposed to protection of others under the third party concept.

Bill makes no reference to amount of coverage to be provided, nor any limitation to such coverage or benefits. It includes all forms of accident and sickness coverage, which would include disability income benefits, ^{as well as} ~~Also~~ medicare supplement policies.

Interferes with the rights of employers and employees to negotiate benefits, and the bargaining powers of unions, etc. It has been indicated to this Department that mandating of benefits has created a trend toward "self-insurance", and in some instances this would not be in the best interests of the individual employee.

Further, it is presumed that such coverage would be subject to other insurance laws, such as those relating to pre-existing conditions. Our present laws such conditions may be excluded for a

period, not exceeding three years. The majority of policies contain a two year clause, many, one year, and medicare supplements, for example, six months, or none at all. Should such coverage be mandated, we believe most companies would revert to the full three years in order to avoid adverse selection.

A great many policies, at this time, provide some benefits for these conditions, - at least for the in-hospital care. As a general rule coverage is not provided for "residential" and "nonresidential" care, especially such as indicated under Section 3, part (3), which makes no reference to "recommendation by a doctor."

Although it is socially acceptable to refer to such conditions as an "illness", it must be recognized that in many instances these are long-term, re-occurring conditions. To extend benefits to rehabilitation, for example, would involve more hospital days than other illness.

Section 2. To rewrite all insurance forms would, of course, involve added costs to the insurer, and also the filing of such forms with the Department of Insurance. It must be clarified as to what coverage is to be afforded. Who would elect to purchase the coverage, in view of the exclusion of pre-existing conditions?

Under group coverage, especially where there is no contribution by the employee, the employer is required to provide benefits to all employees without discrimination. Who would make the decision to refuse?

-3-

The feasibility of individuals, or individual members of a group, refusing coverage raises many questions. There would certainly be a question as to the "appropriate" reduction in premium, as it is extremely difficult to assess the cost of such a program.

The Health Insurance Association, who represents over 300 insurers, estimates that the cost of providing hospital benefits for alcoholism would be approximately 5% in addition to present premiums, and possibly 2 to 2 1/2 %, for the drug and chemical dependency, for pure claim payments only. It is impossible to estimate at this time, the cost of the "residential" and "non-residential" treatment.

Section 3. Place of treatment. Reference to "renewal" raises questions, as to legality of imposing such requirements on in-force policies.

Treatment under (2) and (3) give special recognition to alcoholism, chemical dependency and drug addiction, over and above other illness. We feel these would be long-term treatment situations which would be expensive to maintain.

Due to the time factor, it was impossible for the Health Insurance Association to have a representative at this hearing. They did request that their opposition be voiced.

In discussing this bill with Mr. Hopstad of the Glasgow Hospital, Glasgow, it appears there may be some merit to

the consideration of the extension of in-hospital benefits,
within certain limitations. This, however, would require further
careful study and we feel it would be impossible to do so within
the limits of this session. However, we would be pleased to meet
with interested parties for the consideration of legislation for
the next session.

Thank you for your consideration.



Josephine M. Driscoll, CPIW
Chief Deputy Insurance Commissioner

MINUTES OF THE MEETING

PUBLIC HEALTH, WELFARE & SAFETY COMMITTEE

February 9, 1979

The thirteenth meeting of the Public Health, Welfare and Safety Committee met on February 9, 1979, in Room 410 of the State Capitol Building at 1:00 p.m.

ROLL CALL: All members were present except Senator Himsel and Senator Palmer, who arrived later in the meeting.

CONSIDERATION OF SENATE BILL 100: Senator Norman, sponsor of Senate Bill 100, said that it is his understanding that any amendments made on pages 1 through 24 of Senate Bill 100 are still adopted by this Committee. The Department of Health and Environmental Sciences has proposed an amendment (see Attachment "A") to Senate Bill 100 on page 25, lines 11 through 23. Senator Norman stated that this refers to hearings with good cause, and it is his understanding that this proposed amendment is agreeable to all parties concerned. Senator Norman made a motion that the Committee incorporate as an amendment item 1 in Attachment "A." Senator Lensink stated that this allows showing good cause in writing and asked Mr. Fenner, Department of Health, for clarification. Mr. Fenner said this amendment was worked out with the department's legal department, the Legislative Council, and the Montana Medical Association. It says that the health systems agency and the applicant have a right to a hearing, but anybody else wanting a hearing must show good cause. Motion passed unanimously.

Senator Norman referred the Committee to the amendment proposed in item 2 of Attachment "A." Senator Norman made a motion that we adopt amendment 2 of Attachment "A." Senator Lensink stated that this broadens the hearing quite a bit and asked Mr. Fenner about this. Mr. Fenner said it does broaden it so that it allows new testimony to be brought in. Motion passed unanimously.

Senator Norman referred the Committee to number 3 on Attachment "A." Dennis Taylor said that this amendment was taken care of with the other amendments. He then referred the Committee to amendment number 19 on Attachment "B" and asked for the correction because of a typographical error. Senator Norman moved that amendment 19. on Attachment "B" be adopted. Motion carried unanimously.

ACTION ON SENATE BILL 100: Senator Norman moved that Senate Bill 100 as amended DO PASS. The motion passed unanimously.

Chairman Rasmussen stated that a statement of intent was needed on Senate Bill 100. He appointed a subcommittee of Senator Norman and Senator Olson to work with Dennis Taylor in drafting up a letter of intent. Senator Norman asked each of the groups present who had interest in Senate Bill 100 to appoint one person from their organization to work with the subcommittee and to give the name of that person to the committee secretary that afternoon.

CONSIDERATION OF SENATE BILL 61: Senator Norman, sponsor of Senate Bill 61, said that the introduced bill met with a lot of opposition. By working on amendments to the bill much of the opposition has subsided. He referred the Committee to Substitute Bill 61 (see Attachment "C") and said that he had some amendments to this substitute bill that were suggested by Mr. Tom Harrison, MPS Blue Shield. In Section 2 of Attachment "C" Mr. Harrison suggests that the Committee delete "while confined" and substitute "which requires confinement." Senator Norman stated that he doesn't understand the need for the change. Ms. Driscoll, Insurance Department, said that what might be behind this proposed amendment is the requirement that the doctor require that the patient be in the hospital. After much discussion, it was decided that the amendment was not necessary.

Senator Norman then referred the Committee to Section 2, subsection 2, of Attachment "C" and stated that Mr. Harrison would like the word "reasonable" inserted in front of "charges" in three places. Senator Lensink stated that he feels this is necessary rather than leaving it open-ended. Senator Norman moved that the proposed amendment be adopted. The motion passed unanimously.

Senator Norman referred the Committee to page 2 of Attachment "C" and said that before Section 3 Mr. Harrison would like to add a subsection (4) which more clearly defines a physician. Ms. Driscoll said that there is a law on the books now which defines physician, and this amendment would be in conflict. The Insurance Department could not allow the regular carriers to restrict the definition of physician. The definition of physician as defined in the Code was read to the Committee. Senator Lensink said he feels the substitute bill as proposed is okay since it is referring to the center setting. It was decided not to adopt the suggested amendment.

Senator Norman referred the Committee to Section 3, subsection (1) of Attachment "C" and said that Mr. Harrison would like "30 days" changed to "30 calendar days per year" on the second line. This relates to in-patient benefits. Ms. Driscoll objected to the change. Mr. Zanto, Department of Institutions, explained the proposed amendment to the Committee and said that his department has no objection. Senator Lensink moved the amendment be adopted. The lawyer from the Department of Institutions pointed out that this proposed amendment is needed in two places in Section 3, subsection (1) of Attachment "C" in order to be consistent. Senator Lensink amended his motion to include that the change be incorporated in both places in the bill. Motion passed unanimously.

Ms. Driscoll asked the Committee to delete Section 5 of Attachment "C" which would make the bill effective on passage and let the bill become effective on July 1, 1979. This would give the department and insurance companies more time to incorporate these changes. Senator Himsl moved this amendment. Motion passed unanimously.

ACTION ON SENATE BILL 61: Senator Norman moved that Senate Bill 61 as amended, DO PASS. Senator Lensink asked for clarification on the opting out as contained in the amended bill. A roll call vote was taken. Senate Bill 61, as amended, passed unanimously.

ANNOUNCEMENTS: Curt Chisholm, Department of Institutions, distributed the information requested by the Committee on Senate Bill 238.

ADJOURNMENT: There being no further business to discuss, the meeting was adjourned at 1:55 p.m.


TOM RASMUSSEN, CHAIRMAN

ATTACHMENT "C"

SENATE BILL 61

1. Title, line 5.

Following: "ACT"

Strike: remainder of lines 5 through 7 in their entirety

Insert: "TO INSURE THE AVAILABILITY OF BASIC LEVELS OF
BENEFITS UNDER HEALTH INSURANCE POLICIES AND"

2. Title, line 8.

Following: line 7

Strike: "IN THE"

Following: "FOR THE"

Strike: "COVERAGE OF THE"

Insert: "CARE AND"

3. Title, line 9.

Strike: ", CHEMICAL DEPENDENCY,"

4. Pages 1 and 2.

Strike: all of the bill following the enacting clause

Insert: Section 1. Purpose. The purpose of (this act)
is to encourage consumers to avail themselves of basic
levels of benefits under health insurance policies and
contracts for the care and treatment of alcoholism and
drug addiction, and to preserve the rights of the con-
sumer to select such coverage according to his medical
and economic needs.

Section 2. Definitions. For purposes of (this act),
the following definitions apply:

(1) "Inpatient hospital benefits" means benefits payable
for charges made by a hospital, as defined in the policy or
contract, for the necessary care and treatment of alcoholism
or drug addiction furnished to a covered person while confined
as a hospital inpatient; and with respect to major medical
policies or contracts, also includes those benefits payable
for charges made by a physician, as defined in the policy or
contract, for the necessary care and treatment of alcoholism
or drug addiction furnished to a covered person while confined
as a hospital inpatient.

(2) "Outpatient benefits" means benefits payable for:
(a) charges made by a hospital for the necessary care and
treatment of alcoholism or drug addiction furnished to a
covered person while not confined as a hospital inpatient;
(b) charges for services rendered or prescribed by a physician
for the necessary care and treatment for alcoholism or drug
addiction furnished to a covered person while not confined
as a hospital inpatient; and (c) charges made by an alcoholism
or drug addiction treatment center for the necessary care and
treatment of a covered person provided in the treatment center.

(3) "Alcoholism Treatment Center" and "Drug Addiction Treatment Center" mean a treatment facility which provides a program for the treatment of alcoholism or drug addiction pursuant to a written treatment plan approved and monitored by a physician, and which facility is also: (a) affiliated with a hospital under a contractual agreement with an established system for patient referral; or (b) licensed, certified, or approved as an alcoholism or drug addiction treatment center by the state.

Section 3. Availability of coverage for alcoholism and drug addiction. Insurers and health service corporations transacting health insurance in this state must make available under hospital and medical expense incurred insurance policies and under hospital and medical service plan contracts the level of benefits specified in this section for the necessary care and treatment of alcoholism and drug addiction subject to the right of the applicant for a group or individual policy or contract to reject the coverage or to select any alternative level of benefits as may be offered by the insurer or service plan corporation.

(1) Under basic hospital expense policies or contracts, inpatient hospital benefits consisting of durational limits, dollar limits, deductibles, and coinsurance factors that are not less favorable than for physical illness generally, except that benefits may be limited to not less than 30 days per confinement as defined in the policy or contract.

(2) Under major medical policies or contracts, inpatient hospital benefits and outpatient benefits consisting of durational limits, dollar limits, deductibles, and coinsurance factors that are not less favorable than for physical illness generally, except that:

(a) Inpatient hospital benefits may be limited to not less than 30 days per confinement as defined in the policy or contract. If inpatient hospital benefits are provided beyond 30 days of confinement, the durational limits, dollar limits, deductibles, and coinsurance factors applicable thereto need not be the same as applicable to physical illness generally.

(b) For outpatient benefits, the coinsurance factor may not exceed 50% or the coinsurance factor applicable for physical illness generally, whichever is greater, and the maximum benefit for alcoholism and drug addiction in the aggregate during any applicable benefit period may be limited to not less than \$1000.

(c) Maximum lifetime benefits may, for alcoholism and drug addiction in the aggregate, be no less than an amount equal to the lesser of \$10,000 or 25% of the lifetime policy limit.

Section 4. Applicability. (This act) applies to policies or contracts delivered or issued for delivery in this state more than 120 days after (the effective date of this act) but

does not apply to blanket, short term travel, accident only, limited or specified disease, individual conversion policies or contracts, or to policies or contracts designed for issuance to persons eligible for coverage under Title XVIII of the Social Security Act, known as medicare, or any other similar coverage under state or federal governmental plans.

Section 5. Effective date. (This act) is effective on passage and approval.

- END -

HUMAN SERVICES COMMITTEE

46th Legislature

Bill No.	Subject Matter	Date In	Sponsor	Hearing Date	Committee Action	Date Out
SB-398	Act to conform certain liquor laws to constitutional amendment raising the drinking age to 19 years old.	2/21/79	Boylan	3/2/79	Be concurred in	3/5/79
SB-100	Revising the laws to health care facilities.	2/21/79	Norman	3/2/79	Be concurred in	3/8/79
SB-61	An act to require all insurance companies to provide in contracts coverage for treatment of alcoholism, chemical dependency and drug addiction.	2/21/79	Norman	3/2/79	Be Concurred in	3/5/79
SB-376	Act to require recipients of public assistance to report income not previously declared and providing a civil penalty for violations.	2/17/79	McCallum	3/2/79	Be concurred in	3/5/79
SB-377	Act to require the identification of the manufacturer of all drug products.	2/21/79	Palmer	3/7/79	Be concurred in	3/8/79

March 2, 1979

HUMAN SERVICES COMMITTEE PROCEEDINGS

A meeting of the Human Services Committee was called to order by Chairperson Polly Holmes in the Capitol Annex at 1:30 p.m. with all members present except Representative Jay Fabrega who was absent.

The following bills were scheduled to be heard: Senate Bills 61, 100, 186, 376 and 398.

SENATE BILL 100 - Representative William Menahan said he is cosponsor with Senator Bill Norman and that Senate Bill 100 presents proposed amendments to Title 50, Chapter 5, part 1, 2, 3 and 4 of Montana Codes Annotated. The proposed amendments will correct some problems which were identified in the recodification process of our present law and also some problems which have been identified by the Department in administering this law in the last four years. Representative Menahan read from written testimony which is Exhibit 1.

Other proponents to Senate Bill 100 were:

George M. Fenner, representing the Department of Health and Environmental Sciences, is responsible for administering the Certificate of Need and Health Facility Licensure and Certification programs. Mr. Fenner spoke in support of this bill and written testimony is Exhibit 2.

Joanne Dodd, Billings, President, Montana Nurses Association, offered their support and prepared testimony is Exhibit 3. They had participated in the Senate hearing and in the sub-committee preparing the statement of intent.

Ralph Gildroy, Executive Director of the Montana Health Systems Agency, Inc., Helena, spoke briefly and written testimony is Exhibit 4.

Janet P. Kovalchik, representing the Montana Association of Home Health Agencies, said they are in support of Senate Bill 100 and additional comments are on Exhibit 5.

Chad Smith spoke on behalf of the Montana Hospital Association. They are in support of this bill. There were some procedural matters that had to be corrected in the Senate committee and it has been corrected to their satisfaction and is acceptable.

See Visitors' Register for other people present at the hearing who indicated their support - Exhibit 6.

There were no opponents.

Senator Norman said he sponsored this bill with Representative Menahan and there are two things in this bill; there is 24 million dollars and that is funding for the health department. Should they not comply the federal funds would be in jeopardy.

SENATE BILL 61 - Senator Norman, chief sponsor, said this bill relates to alcoholism and health insurance. There is great preoccupation by the Legislature with the subject of drinking. They use to settle it by charges of vagrancy and this was not a very satisfactory way to handle this problem. A few sessions ago they changed drunkenness from a crime to illness. What is happening is that alcoholics are coming to a doctor and hospital to seek treatment. Almost every family is touched with this problem now, so there is an effort in this bill to encourage health insurance plans to offer coverage for alcoholism. On page 1, line 17, it sets out the intent of the bill. On line 24 the inpatient hospital treatment is defined. On page 2, line 10 the definition of out-patient is defined. On line 14 this treatment in this bill covers what would have to be prescribed by a physician. There are licensed treatment centers and only those centers have anything to do with this bill.

On page 3, lines 7 through 24, we are speaking of some of the technicality of the insurance programs. They amended the bill and much of the opposition has quieted. It asks that health insurance carriers in the state offer a plan to the individual or to be offered to a group. There is nothing mandatory. The lid and limit is on lines 17, 19, and 24. This bill encourages people to consider having coverage for alcoholism and to do so under private insurance carriers.

Proponent, Josephine M. Driscoll, Insurance Department, the Health Insurance Association, said they support this bill.

Larry Zanto, Department of Institutions, said they had something to do with the drafting of this bill and they are not breaking any new ground with this bill. The insurance carriers have been operating this type of coverage. This bill serves as an encouragement.

There were no opponents on Senate Bill 186 and Senator Norman closed on Senate Bill 186.

There were questions by the committee.

Representative Tropila asked Senator Norman in your whole presentation you didn't mention drug addiction. Senator Norman said drug addiction could be included.

Representative Robbins to Senator Norman: "How much do you think this would increase the cost of insurance to the average person?" Senator Norman said there were facts and figures but what it comes down to is it depends on who you talk to and they came up with \$1.35 per month per family.

There were no other questions and the hearing closed on Senate Bill 61.

anyone who can package or unpackage cannot sell to an intoxicated person?" In answer Mr. Smith read the title of the bill and said that is not addressed in this bill.

The hearing closed on Senate Bill 398.

The committee went into executive session to take action on the following bills:

SENATE BILL 398 - Representative Dozier moved a do pass on Senate Bill 398; question. The motion carried unanimously. Representative Stobie had left a written vote of yes. Representative Fabrega was absent. Representative Dozier will carry Senate Bill 398 on the floor of the House.

SENATE BILL 376 - Representative Gesek moved a do pass on Senate Bill 376; question. The motion carried unanimously. Representative Stobie left a written vote of yes. Representative Fabrega was absent. Representative Bennett will carry Senate Bill 376.

SENATE BILL 186 - Representative Bennett moved a do pass on Senate Bill 186; question. The motion carried unanimously. Representative Fabrega was absent and Representative Stobie was not present. Representative Bennett will carry Senate Bill 186.

SENATE BILL 100 - A motion was made for a do pass. During discussion Representative Hemstad said she received a letter from the Columbus Hospital in Great Falls and since she was not present when Senate Bill 100 was heard she wanted to know what the bill would do to the bill if it was recommended that the provision to approve the certificate of need was deleted and there was another recommendation in the letter. Representative Rosenthal suggested she hand the letter to the researcher and have her look at it. If there are problems she could present those to Representative Menahan. Representative Gould asked Kerry if he was satisfied with the repealers or should it be researched before the committee vote on the bill. Representative Keyser moved that the researcher look at this and report back to the committee; question. Motion carried.

SENATE BILL 61 - Representative Feda moved for a do pass on Senate Bill 61; question. The motion carried unanimously by the members present. Representative Bennett will carry Senate Bill 61.

Chairperson Polly Holmes informed the committee there only two other bills to be heard by the committee and the committee will meet at 12:30 p.m. next Wednesday, March 7, 1979.

SENATE BILL NO. 61

INTRODUCED BY NORMAN

BY REQUEST OF THE DEPARTMENT OF INSTITUTIONS

A BILL FOR AN ACT ENTITLED: "AN ACT ~~REQUIRING ALL INSURANCE COMPANIES, INCLUDING HEALTH SERVICE CORPORATIONS, WHO ISSUE HEALTH--INSURANCE--POLICIES IN MONTANA TO INCLUDE PROVISIONS TO INSURE THE AVAILABILITY OF BASIC LEVELS OF BENEFITS UNDER HEALTH INSURANCE POLICIES AND IN--THE~~ CONTRACTS FOR THE ~~COVERAGE--OF--THE CARE AND TREATMENT OF ALCOHOLISM, CHEMICAL DEPENDENCY, AND DRUG ADDICTION."~~

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Refer to Introduced Bill

(Strike everything after the enacting clause and insert:)

Section 1. Purpose. The purpose of [this act] is to encourage consumers to avail themselves of basic levels of benefits under health insurance policies and contracts for the care and treatment of alcoholism and drug addiction, and to preserve the rights of the consumer to select such coverage according to his medical and economic needs.

Section 2. Definitions. For purposes of [this act], the following definitions apply:

(1) "Inpatient hospital benefits" means benefits payable for charges made by a hospital, as defined in the

policy or contract, for the necessary care and treatment of alcoholism or drug addiction furnished to a covered person while confined as a hospital inpatient; and with respect to major medical policies or contracts, also includes those benefits payable for charges made by a physician, as defined in the policy or contract, for the necessary care and treatment of alcoholism or drug addiction furnished to a covered person while confined as a hospital inpatient.

(2) "Outpatient benefits" means benefits payable for:

(a) reasonable charges made by a hospital for the necessary care and treatment of alcoholism or drug addiction furnished to a covered person while not confined as a hospital inpatient;

(b) reasonable charges for services rendered or prescribed by a physician for the necessary care and treatment for alcoholism or drug addiction furnished to a covered person while not confined as a hospital inpatient; and

(c) reasonable charges made by an alcoholism or drug addiction treatment center for the necessary care and treatment of a covered person provided in the treatment center.

(3) "Alcoholism treatment center" and "drug addiction treatment center" mean a treatment facility which provides a program for the treatment of alcoholism or drug addiction

pursuant to a written treatment plan approved and monitored by a physician, and which facility is also: (a) affiliated with a hospital under a contractual agreement with an established system for patient referral; or (b) licensed, certified, or approved as an alcoholism or drug addiction treatment center by the state.

Section 3. Availability of coverage for alcoholism and drug addiction. Insurers and health service corporations transacting health insurance in this state must make available under hospital and medical expenses incurred insurance policies and under hospital and medical service plan contracts the level of benefits specified in this section for the necessary care and treatment of alcoholism and drug addiction subject to the right of the applicant for a group or individual policy or contract to reject the coverage or to select any alternative level of benefits as may be offered by the insurer or service plan corporation.

(1) Under basic hospital expense policies or contracts, inpatient hospital benefits consisting of durational limits, dollar limits, deductibles, and coinsurance factors that are not less favorable than for physical illness generally, except that benefits may be limited to not less than 30 calendar days per year as defined in the policy or contract.

(2) Under major medical policies or contracts,

inpatient hospital benefits and outpatient benefits consisting of durational limits, dollar limits, deductibles, and coinsurance factors that are not less favorable than for physical illness generally, except that:

(a) Inpatient hospital benefits may be limited to not less than 30 calendar days per year as defined in the policy or contract. If inpatient hospital benefits are provided beyond 30 calendar days per year, the durational limits, dollar limits, deductibles, and coinsurance factors applicable thereto need not be the same as applicable to physical illness generally.

(b) For outpatient benefits, the coinsurance factor may not exceed 50% or the coinsurance factor applicable for physical illness generally, whichever is greater, and the maximum benefit for alcoholism and drug addiction in the aggregate during any applicable benefit period may be limited to not less than \$1,000.

(c) Maximum lifetime benefits may, for alcoholism and drug addiction in the aggregate, be no less than an amount equal to the lesser of \$10,000 or 25% of the lifetime policy limit.

Section 4. Applicability. [This act] applies to policies or contracts delivered or issued for delivery in this state more than 120 days after [the effective date of this act] but does not apply to blanket, short term travel,

1 accident only, limited or specified disease, individual
2 conversion policies or contracts, or to policies or
3 contracts designed for issuance to persons eligible for
4 coverage under Title XVIII of the Social Security Act, known
5 as medicare, or any other similar coverage under state or
6 federal governmental plans.

-End-